

ENEX RESOURCES LIMITED (N.P.L.)

1977 ANNUAL REPORT
ENEX RESOURCES LIMITED
100, 1010 - 10th Street, Suite 1000, Calgary, Alberta, Canada T2V 3P6

File

ENEX RESOURCES LIMITED (N.P.L.)

1977 ANNUAL REPORT

ENEX RESOURCES LIMITED, Calgary, Alberta

1977 ANNUAL REPORT, Calgary, Alberta

OFFICERS

DR. GORDON L. MCNAUL

Chairman of the Board

JOHN P. McLELLAN

President

A. GORDON MCNAUL

Vice-Chairman

G. ARTHUR ARMSTRONG

Secretary

WALTER LADYMAN

Treasurer

**PRINCIPAL
OFFICES**

**INDUSTRIAL
OFFICE**

TRANSMISSIONS LTD.

100, 1010 - 10th Street

Calgary, Alberta

1977 ANNUAL REPORT

For the year ending
December 31, 1977

Burns, Marwick, Hatchett & Co.
Toronto, Vancouver and Edmonton

Burns, Marwick, Hatchett & Co.
2500 - 10th Street
Edmonton, Alberta, T5J 0G6

ENEX RESOURCES LIMITED (N.P.L.)

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS OF ENEX RESOURCES LIMITED (N.P.L.)

During the year, Incorporated under the laws of the Province of British Columbia
January 1, 1973, the Company has been engaged in the exploration and development of oil and gas properties in Alberta, British Columbia and the Yukon.

MINERAL PROPERTY DIRECTORS

ALBERTA

DR. GARNET C. McCARTNEY, Toronto

BRITISH COLUMBIA

ROSS M. MacLEAN, Edmonton

YUKON TERRITORY

A. DOUGLAS McGREGOR, Edmonton

SASKATCHEWAN

G. ARNOLD ARMSTRONG, Vancouver

MANITOBA

WALTER LACHMAN, Edmonton

QUEBEC

RICHARD L. GRIFFITH, Honolulu

ONTARIO

WILLIAM W. KIZAN, Edmonton

OFFICERS

DR. GARNET C. McCARTNEY

Chairman of the Board

ROSS M. MacLEAN

President

A. DOUGLAS McGREGOR

Vice-President

G. ARNOLD ARMSTRONG

Secretary

WALTER LACHMAN

Treasurer

PRINCIPAL
OFFICE

506, 10024 Jasper Avenue
Edmonton, Alberta, T5J 1R9

REGISTERED
OFFICE

1120, 1066 West Hastings Street
Vancouver, British Columbia, V6E 3X1

TRANSFER AGENT
AND REGISTRAR

Royal Trust Company
Toronto, Vancouver and Edmonton

AUDITORS

Peat, Marwick, Mitchell & Co.
2500, 10020 - 100 Street
Edmonton, Alberta, T5J 0N4

MINERAL PROPERTY DIRECTORS
ROSS M. MacLEAN, President
YUKON TERRITORY DIRECTORS
A. DOUGLAS McGREGOR, Vice-President
SASKATCHEWAN DIRECTOR
G. ARNOLD ARMSTRONG, Secretary
MANITOBA DIRECTOR
WALTER LACHMAN, Treasurer
ONTARIO DIRECTOR
RICHARD L. GRIFFITH, Vice-President
QUEBEC DIRECTOR
WILLIAM W. KIZAN, Treasurer

Mr. Richard L. Griffith, left the Company in January 1974 and has been succeeded by Mr. William W. Kizan, who has been appointed Vice-President of the Company.

Mr. Garnet C. McCartney left the Company in January 1974 and has been succeeded by Mr. Ross M. MacLean, who has been appointed President of the Company.

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ENEX RESOURCES LIMITED (N.P.L.)

REPORT OF THE DIRECTORS

TO THE SHAREHOLDERS

During the year the Company continued to explore for acquisitions of properties in all fields of energy. A detailed list of the Company's energy properties is presented below.

MINERAL PROPERTIES

ALBERTA

Lake Athabasca Permit and Mineral Claims - A significant amount of work was carried out on the permit and mineral claims. As a result of this work your directors reached a decision to drop the permit. The results from work performed on the four mineral claims was encouraging and due to the findings it is anticipated that a vigorous exploration program will be carried out this coming season.

SASKATCHEWAN

Claim Block CBS 2747 - Work performed during 1977, with encouraging results, indicated that more work was necessary to evaluate this property. The Company intends to carry out an exploration program including drilling to expand the information of a previous drilled hole that intersected 1.65 per cent U_3O_8 over five feet at a depth of 190 feet.

Claim Block CBS 5462 - This claim block, containing 9,500 acres, was staked in August 1975 for Enex Resources Limited in order to cover uranium water anomalies recorded by Bondar-Clegg & Company Ltd. during a geochemical survey conducted in 1969. Imperial Oil Limited and the Saskatchewan Mining Development Corporation with Enex Resources Limited performed \$29,000 worth of work on a very small area of this claim block. The Saskatchewan Mining Development Corporation with Enex Resources Limited intend to fully evaluate the potential of this claim block with extensive surface work and diamond drilling.

Mineral Claims CM 1 - CM 5 - The Company and partners have completed assessment work placing these mineral claims in good standing until 1983. A radioactive intersection was encountered in one of the holes drilled, and it is anticipated, time permitting, to deepen the other drilled hole as recommended by Trigg, Woollett Consulting Ltd.

Mineral Lease 5131 - This mineral lease, consisting of six mineral claims, remains in good standing to 1983.

CL 1 - CL 5 Mineral Claims - Evaluation has been completed on this property and geochemical surveys and geological work is planned for this summer.

Mineral Leases ML 5203, ML 5204, ML 5132, ML 5133 - The company exploration group did considerable work in evaluating and scheduling targets for this property consisting of 800 acres. In consequence, the Rod and Jon claims were taken to lease in June as ML 5204 and ML 5203. For 1978, our consultants have recommended geochemical surveys and geological evaluations as a follow up to a previous drilling program where there was an intersection of 22 feet grading 1.42 per cent U_3O_8 .

NORTHWEST TERRITORIES

Kianla Mineral Claims - As a result of the evaluation by our exploration group and our consultant, the decision was made to drop these mineral claims.

Padlei Mineral Claims - Enex Resources Limited holds 51 mineral claims containing 2,550 acres at Padlei, N.W.T., 230 miles northwest of Churchill, Manitoba. These claims contain radioactive conglomerates that were partially explored by Falconbridge Nickel Mines Limited in 1970.

ONTARIO

Considerable work has been completed by Raylloyd Mines & Explorations Ltd. on the mineral claims at Mace Lake. The Company and its consultants after evaluating the drill logs and work accomplished decided to abandon these claims.

OIL AND GAS PROPERTIES

The activities of Enex Resources Limited in petroleum and natural gas exploration and development are outlined below.

SOUTH CHAUVIN GAS UNIT NO. 1

Mathieson Management Ltd. have reported to the Company that the Gas Unit is producing and delivering gas to the pipeline. A further report will be forthcoming this month. The Company holds a 20% interest in the Unit.

SECTIONS 30 AND 31, TWP. 39, RGE. 7, W4M

Eagle Explorations Limited have capped a successful well on these properties awaiting pipeline connection.
OIL PROPERTIES AT CHAUVIN

The wells have been shut down through the winter months. Owasso Petroleum Ltd., the operator, is placing these back on production. The Company with its partners Coralta Resources Limited and Owasso Petroleum Ltd. are considering a farm out in the lower levels of the oil properties while retaining their present interest in the colony zone.

SECTION 35, TWP. 42, RGE. 1, W4M

A successful well has been drilled on this property. Your Company and Coralta Resources Limited have a 3% royalty interest in this and any other wells completed.

A list of the oil and gas properties showing the Company's interest is as follows:

AREA	LAND	INTEREST	GROSS ACRES	REMARKS
Chauvin-Reflex	Sec.22, Twp.42, Rge.1, W4M	40%	640	
	Sec.23, Twp.42, Rge.1, W4M	40%	640	
	Sec.27, Twp.42, Rge.1, W4M	40%	640	
Chauvin	Sec.19, Twp.42, Rge.1, W4M	20%	640	*Colony gas only
	Sec.20, Twp.42, Rge.1, W4M	25%	320	*Colony gas only
	Sec.30, Twp.42, Rge.1, W4M	20%	640	*Colony gas only
	Sec.31, Twp.42, Rge.1, W4M	20%	640	
	Sec.32, Twp.42, Rge.1, W4M	33.773%	320	
	Sec.24, Twp.42, Rge.2, W4M	25%	640	
W1/2	Sec.36, Twp.42, Rge.2, W4M	24.664%	640	
	Sec. 5, Twp.43, Rge.1, W4M	24.333%	640	
	Sec. 6, Twp.43, Rge.1, W4M	20%	640	
	Sec. 7, Twp.43, Rge.1, W4M	20%	640	
(Colony gas unitized - Enex owns 20% of Chauvin South Gas Unit No. 1)				

Provost North	Sec.30, Twp.39, Rge.7, W4M	25.8177%	640	
	Sec.31, Twp.39, Rge.7, W4M	25.8177%	640	
Sylvan Lake	Sec. 1, Twp.38, Rge.1, W5M	10%	640	
	Sec. 2, Twp.38, Rge.1, W5M	10%	640	
	Sec. 4, Twp.38, Rge.1, W5M	10%	640	
	Sec. 9, Twp.38, Rge.1, W5M	10%	640	
	Sec.10, Twp.38, Rge.1, W5M	10%	640	
	Sec.11, Twp.38, Rge.1, W5M	10%	480	
SE1/4W1/2	Sec.12, Twp.38, Rge.1, W5M	10%	160	
SW1/4				

The demand for energy continues to rise. The above holdings, all energy oriented, give significant value to the company.

The balance sheet, the auditors' report and financial statements dated December 31, 1977 is presented in this report.

On behalf of the Board

Ross M. MacLean
President

PEAT, MARWICK, MITCHELL & CO.

Chartered Accountants

2500 Alberta Telephone Tower
10020 - 100th Street
Edmonton, Alberta
T5J 0N4

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the balance sheet of Enex Resources Limited (N.P.L.) as of December 31, 1977 and the statements of petroleum and natural gas operations and deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as of December 31, 1977 and the results of its petroleum and natural gas operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PEAT, MARWICK, MITCHELL & CO.

Chartered Accountants

Edmonton, Canada
May 26, 1978

ENEX RESOURCES LIMITED (N.P.L.)

Balance Sheet
December 31, 1977
 with comparative figures for 1976

ASSETS	1977	1976	LIABILITIES AND SHAREHOLDERS' EQUITY	
			1977	1976
Current assets:			Current liabilities:	
Cash and certificates of deposit	\$ 10,375	26,686	Bank loan payable, secured by	\$ 48,534
Accounts receivable	1,797	3,905	gas reserves	2,652
Due from partners in joint venture	27,303	29,049	Due to affiliated company	37,374
Total current assets	39,475	59,640	Accounts payable and accrued charges	88,560
Investment in other companies at lower of cost or market			Total current liabilities	73,241
Investment in affiliated companies:				
Shares (note 1)	6,820	3,570	Accounts payable to be satisfied by issue of shares of the company (note 4)	2,720
Advances	1,000	1,000		
	53,000	50,000	Shareholders' equity:	
	54,000	51,000	Capital stock (note 4):	
	150,855	150,855	Authorized 5,000,000 shares with a par value of \$.50 each; issued 2,157,339 shares (December 31, 1976 - 2,149,339 shares)	1,078,670
Less accumulated depletion	22,377	4,842	Contributed surplus	20,759
	128,478	146,013	Deficit	(77,619)
			Total shareholders' equity	1,021,810
Investment in producing gas properties, at cost	350,234	347,517		999,648
Less accumulated depletion	79,001	86,974	On behalf of the Board:	
Investment in non-producing petroleum and natural gas properties, at cost (note 2)			G. A. Armstrong, Director	
Mining claims, at cost (note 3)			R. M. MacLean, Director	
Deferred expenditures:				
Exploration (Schedule 1)	126,324	105,734		
Administration (Schedule 2)	324,393	268,335		
	450,717	374,069		
Fixed assets, at cost:				
Land and dwellings			5,181	
Furniture and fixtures	1,645	1,645	1,645	
	1,645	6,826	6,826	
	\$ 1,110,370		1,075,609	
				\$ 1,110,370

See accompanying statements of significant accounting policies and notes to financial statements.

ENEX RESOURCES LIMITED (N.P.L.)
Statement of Petroleum and Natural Gas Operations and Deficit
Year ended December 31, 1977
with comparative figures for 1976

	1977	1976
Revenue:		
Petroleum and natural gas sales	\$ 5,771	6,853
Deduct:		
Operating expense	37,713	4,671
Depletion	17,535	342
	<u>55,248</u>	<u>5,013</u>
Net profit (loss) from petroleum and natural gas operations	(49,477)	1,840
Profit on sale of property (note 1)	75,000	75,000
Write-off mining claims surrendered and related deferred expenditures	(12,150)	(45,714)
Gain (loss) on sale of fixed assets	2,819	(2,091)
Gain (loss) on investment in other companies	3,250	(1,048)
Deficit at beginning of year	(97,061)	(125,048)
Deficit at end of year	<u>\$ (77,619)</u>	<u>(97,061)</u>

See accompanying statement of significant accounting policies and notes to financial statements.

ENEX RESOURCES LIMITED (N.P.L.)

Statement of Changes in Financial Position Year ended December 31, 1977 with comparative figures for 1976

	1977	1976
Funds provided:		
Net profit from petroleum and natural gas operations	\$ -	1,840
Add depletion	- <hr/>	342 <hr/>
Funds provided from operations	- <hr/>	2,182 <hr/>
 Proceeds from sale of property (note 1)	75,000	75,000
Issue of shares of the company	2,720	54,707
Option on mining claim	5,000	-
Proceeds from sale of fixed assets	8,000 <hr/>	15,270 <hr/>
	90,720 <hr/>	147,159 <hr/>
 Funds used:		
Net loss from petroleum and natural gas operations	49,477	-
Deduct depletion	17,535 <hr/>	-
Funds used in operations	31,942	-
Investment in affiliated company	3,000	-
Purchase of fixed assets	- <hr/>	240 <hr/>
Investment in producing petroleum and natural gas properties	- <hr/>	10,009 <hr/>
Accounts payable to be satisfied by issue of shares of the company	2,720	1,780
Investment in non-producing petroleum and natural gas properties	2,717	7,899
Investment in mining claims	- <hr/>	24,092 <hr/>
Deferred exploration expenditures	25,864	21,857
Deferred administration expenditures	59,961 <hr/>	63,678 <hr/>
	126,204 <hr/>	129,555 <hr/>
 Increase (decrease) in working capital deficiency	35,484	(17,604)
Working capital deficiency, beginning of year	13,601	31,205
Working capital deficiency, end of year	\$ 49,085 <hr/>	13,601 <hr/>

See accompanying statement of significant accounting policies and notes to financial statements.

ENEX RESOURCES LIMITED (N.P.L.)

Statement of Significant Accounting Policies

December 31, 1977

Deferred expenditures

As the company is a non-producing mining company in the exploration stage, all of its exploration and administrative expenditures have been deferred.

Mining claims

The initial cost of the mining claims is capitalized, any exploration work on the claims is charged to deferred exploration expenditures. When all of the claims in a particular area are abandoned, the cost of the claims in that area together with the deferred exploration expenditures incurred on those claims and a portion of deferred administration are written off to deficit. When a property is brought into production, it is the company's intention to amortize the cost of claims and the deferred exploration and administration expense relating to the claims, on the unit of production method using the estimated recoverable mineral reserves.

Petroleum and natural gas properties

The company follows the practice of capitalizing all costs of acquiring, carrying, exploring for and developing petroleum and natural gas properties. When a property becomes producing, the costs are depleted on the unit of production method using the estimated recoverable oil and gas reserves for each property. When a property is abandoned or surrendered, the cost of the property will be written off.

Depreciation

The company has never provided depreciation on its fixed assets as the directors consider that the assets have retained their value and at December 31, 1977 would have a value approximating cost.

Joint venture

Enex Resources Limited has a one-third interest in Encore Resources, a joint venture, which is included in these financial statements.

ENEX RESOURCES LIMITED (N.P.L.)

Notes to Financial Statements December 31, 1977

1. Investment in affiliated companies:

(a) Gardex Mines Limited (N.P.L.)

\$

In a prior year, the company assigned and transferred their interests in certain mining claims to Gardex Mines Limited (N.P.L.) in exchange for 375,000 shares (representing a 50% interest) in the company. In addition, the company acquired 225,000 shares of Gardex Mines Limited (N.P.L.) at \$.25 a share.

Under the terms of the agreement under which the company transferred its interest in the property, the company was to receive additional consideration up to \$750,000 if the property was subsequently sold. The property was sold and the company has received \$675,000 to date. Gardex may become entitled to additional amounts by way of royalties; Enex is entitled to a maximum of \$75,000 out of the first \$100,000 of these.

Of the \$675,000 received to date, \$491,142 has been treated as a reduction of the investment in Gardex Mines Limited (N.P.L.) and the remaining \$183,858 has been taken into income as a profit on sale of property.

(b) Enex Coronet Petroleum Ltd.

1,000

The company owns 10,000 shares, being a 50% interest of Enex Coronet Petroleum Ltd. Enex Coronet operates certain oil and gas properties in which the company has a 50% undivided interest.

Total investments in shares of affiliated companies.

\$ 1,000

2. Investment in non-producing petroleum and natural gas properties consists of the following:

50% undivided interest in certain leases in the Chauvin area including drilling and overhead costs

\$ 299,370

Costs under an agreement with Canadian Tricentrol Oils Ltd. to pay 10-20% of all costs and expenses incurred in the drilling and completion or abandonment of a test well

38,424

21.25% interest in four Crown leases in Central Alberta including costs of drilling a dry well

12,440

\$ 350,234

ENEX RESOURCES LIMITED (N.P.L.)

Notes to Financial Statements, continued December 31, 1977

The above costs include the company's share of drilling eight wells. At December 31, 1977, two wells are shut-in but capable of production, one well will be used as a gas supply well, one is suspended and three wells are dry and have been abandoned. The cost of the abandoned wells will be written off on surrender of the properties or amortized against future production from these properties.

3. Mining Claims:

Saskatchewan:

Nicholson option:

The company has the right to explore 6 mining claims to October 1, 1978. To acquire ownership and mining rights the company is required to pay \$40,000 on or before October 1, 1978.

\$ 19,000

CM1-5

In the Athabasca mining district the company acquired 5 mining claims. Under a subsequent agreement 50% of these claims were given up in return for a 25% interest in 3 mining leases in the same area.

5,500

CBS 5462

A claim block of 9504 acres in the La Ronge area. This claim block is in good standing until December 4, 1978.

CBS 2747

Under an option agreement the company acquired a 1325 acre claim block.

9,880

Athabasca Mining District:

The company has acquired a one-third share in twelve mining claims. During 1977, the claims were taken to lease.

2,840

One-third share of eight claims in the Athabasca Mining District covering approximately 320 acres.

13,333

Vendam Lake Crackington Peninsula area:

Under the terms of an option agreement the company has acquired a one-third interest in five mineral claims. In order to maintain the option in good standing the company is responsible for one-third of the payment of \$2,000 and 9,000 shares of Enex Resources Limited (N.P.L.) on or before October 31, 1978.

1,306

Northwest Territories:

Padlei Area:

The company has 51 claims in good standing until 1979.

25,950

Alberta:

Athabasca:

The company has a one-third interest in 1 permit totalling approximately 9,200 acres and 4 claims.

1,192

\$ 79,001

ENEX RESOURCES LIMITED (N.P.L.)

Notes to Financial Statements, continued December 31, 1977

4. Capital stock:

At December 31, 1977 issued share capital consisted of the following:

	Shares	Capital	Premium (Discount)
Issued for:			
Mining claims, petroleum and natural gas properties	957,334	\$ 478,668	(331,741)
Cash	<u>1,200,005</u>	<u>600,002</u>	<u>352,500</u>
	<u>2,157,339</u>	<u>\$ 1,078,670</u>	<u>20,759</u>

During the year the company issued 4,000 shares of the capital stock of the company at 36 cents per share and 4,000 shares at 32 cents per share as partial consideration for the acquisition of certain mining claims.

5. Contingencies:

Under an agreement with the Government of Canada, the company received financial assistance in respect of exploration expenditure on certain mineral claims in the Padlei area. This assistance is repayable, without interest, from profits of mineral production from these claims and represents special liens against the claims in the amount of \$3,677.

ENEX RESOURCES LIMITED (N.P.L.)

Schedule 1

Deferred Exploration Expenditures

Year ended December 31, 1977

	Balance December 31, 1976	Additions	Transferred To Deficit	Balance December 31, 1977
Nicholson option:				
Engineering and consulting fees	\$ 13,556			13,556
Contract labour	3,751			3,751
Equipment and supplies	1,548			1,548
Travel and transportation	1,153			1,153
Board and lodging	298			298
Sundry	<u>1,154</u>			<u>1,154</u>
	<u>21,460</u>			<u>21,460</u>
CM 1-5:				
Drilling costs	23,798			23,798
Engineering and consulting fees	4,903	607		5,510
Equipment and supplies	94			94
Travel and transportation	415			415
Board and lodging	231			231
Sundry	<u>210</u>			<u>210</u>
	<u>29,651</u>	<u>607</u>		<u>30,258</u>
CBS 2747:				
Engineering and consulting fees	6,208	7,223		13,431
Equipment and supplies	303	603		906
Travel and transportation	589	515		1,104
Licenses, fees and taxes	154	-		154
Board and lodging	40	173		213
Sundry	<u>144</u>	<u>288</u>		<u>432</u>
	<u>7,438</u>	<u>8,802</u>		<u>16,240</u>
CBS 5462:				
Engineering and consulting fees	1,871	1,490		3,361
Travel and transportation	1,195	-		1,195
Sundry	55	2		57
Equipment and supplies	36	10		46
Costs recovered	<u>-</u>	<u>(3,575)</u>		<u>(3,575)</u>
	<u>3,157</u>	<u>(2,073)</u>		<u>1,084</u>
CL 1-5:				
Engineering and consulting fees	1,000	167		1,167
	<u>1,000</u>	<u>167</u>		<u>1,167</u>

ENEX RESOURCES LIMITED (N.P.L.)

Schedule 1,
Continued

Deferred Exploration Expenditures Year ended December 31, 1977

	Balance December 31, 1976	Additions	Transferred To Deficit	Balance December 31, 1977
Elliott Lake claims:				
Engineering and consulting fees	\$ 864		864	
Contract labour	24		24	
Equipment and supplies	80		80	
Licenses, fees and taxes	<u>570</u>		<u>570</u>	
	<u>1,538</u>		<u>1,538</u>	
Quartz Minerals:				
Engineering and consulting fees	252	2,278		2,530
Helicopter usage	3	1,828		1,828
Licenses, fees and taxes	464			467
Office supplies	106			106
Equipment and supplies	2			12
Travel and transportation	654			654
Board and lodging	114			114
Sampling and assaying	108			108
Sundry	<u>6</u>			<u>6</u>
	<u>265</u>	<u>5,560</u>		<u>5,825</u>
Eva:				
Engineering and consulting fees	444	527		971
Transportation	25	-		25
Licenses, fees and taxes	54	20		74
Sundry	<u>2</u>	<u>-</u>		<u>2</u>
	<u>525</u>	<u>547</u>		<u>1,072</u>
Padlei claims:				
Engineering and consulting fees	4,954			4,954
Contract labour	6,483			6,483
Equipment and supplies	3,988			3,988
Travel and transportation	4,598			4,598
Board and lodging	1,320			1,320
Licenses, fees and taxes	3,644			3,644
Sundry	<u>192</u>			<u>192</u>
	<u>25,179</u>			<u>25,179</u>

ENEX RESOURCES LIMITED (N.P.L.)

Schedule 1,
Continued

Deferred Exploration Expenditures Year ended December 31, 1977

	Balance December 31, 1976	Additions	Transferred To Deficit	Balance December 31, 1977
CBS 319:				
Engineering and consulting fees	\$ 2,500	2,500		2,500
	<u>2,500</u>			<u>2,500</u>
CBS 315:				
Engineering and consulting fees	2,500			2,500
	<u>2,500</u>			<u>2,500</u>
Martin Lake HN 1-17:				
Engineering and consulting fees	2,500			2,500
	<u>2,500</u>			<u>2,500</u>
Jon & Rod claims:				
Engineering and consulting fees	690	265		955
Licenses, fees and taxes	38	35		73
Equipment and supplies	10	2		12
Sundry	27	32		59
	<u>765</u>	<u>334</u>		<u>1,099</u>
Athabasca permits:				
Engineering and consulting fees	55			55
Sundry	4			4
	<u>59</u>			<u>59</u>
Non-allocated exploration	<u>26,249</u>	<u>684</u>		<u>26,933</u>
	<u>117,286</u>	<u>22,128</u>	1,538	<u>137,876</u>
Deduct expenses recovered	<u>11,552</u>			<u>11,552</u>
	<u>\$ 105,734</u>	<u>22,128</u>	<u>1,538</u>	<u>126,324</u>

ENEX RESOURCES LIMITED (N.P.L.)

Schedule 2

Schedule of Deferred Administration Expenditure Year ended December 31, 1977

with comparative figures for the year ended December 31, 1976

	1977	1976
Head office services	\$ 16,800	16,100
Legal and audit	9,446	10,631
Annual meeting and shareholders' information	6,364	5,227
Office rental	5,700	5,300
Licenses, fees and taxes	767	3,612
Joint venture administrative expenses	3,749	3,039
Printing, postage and stationery	1,658	1,375
Telephone	1,245	1,415
Membership dues and subscriptions	205	170
Travel	3,669	1,695
Transfer agent fees	2,170	2,603
Repairs and maintenance	-	1,125
Consulting fees	-	694
Public relations	329	363
Sundry	183	58
	<hr/> 52,285	<hr/> 53,407
Interest and bank charges	<hr/> 5,677	<hr/> 6,605
	<hr/> 57,962	<hr/> 60,012
 Deduct:		
Interest earned	1	2,634
	<hr/> 57,961	<hr/> 57,378
Directors' fees	<hr/> 2,000	<hr/> 6,300
	<hr/> 59,961	<hr/> 63,678
Balance at beginning of year	<hr/> 268,335	<hr/> 216,663
	<hr/> 328,296	<hr/> 280,341
 Deduct:		
Portion applicable to mining properties written off	3,903	12,006
Balance at end of year	<hr/> \$ 324,393	<hr/> 268,335

